

MINUTES

REDEVELOPMENT AUTHORITY OF THE CITY OF FOND DU LAC REGULAR MEETING WEDNESDAY, FEBRUARY 19, 2014

City/County Government Center, Meeting Room D & E
7:30 a.m.

1. Teletzke called the meeting to order at 7:34 a.m. The meeting was held in Room D & E of the City/County Government Center, 160 S. Macy Street, Fond du Lac, Wisconsin.

2. Wegner called the roll

Present

Absent

Richard Ewald
Greg Giles
Mary Gilles
Anne Pierce
Karyn Merkel
Doug Teletzke
Leo Udee

None

Wegner declared a quorum present

Staff in attendance:

Dyann Benson, Redevelopment Planner
Debbie Wegner, Community Development Specialist

Others Present:

Wayne Rollin, Community Development Director

3. Approval of Minutes

- A. Open and Closed Session Minutes from the Regular Meeting of January 9, 2014

Merkel made a motion to approve the minutes of the regular meeting of January 9, 2014; seconded by Ewald. Motion carried.

4. New Business

A. Approval of Financial Statements

1. Redevelopment Authority Monthly Financial Statement – January 2014
2. Redevelopment Authority Quarterly Financial Statement – January 2014

Wegner reviewed the Monthly and Quarterly Financial Statements. Benson reviewed that the balance of the Community Development Block Grant (CDBG) Economic Development Revolving Loan Fund (EDRLF) was increased by \$750,000 due to the Fond du Lac County Economic Development Corporation (FCEDC) returning most of the Program Income which had been previously held by them. The FCEDC will submit a collected loan repayment on a scheduled basis.

3. Fond du Lac County Economic Development Corporation Quarterly Report Dated December 31, 2013

Benson reviewed the Fond du Lac County Economic Development Corporation Quarterly Report.

Udee made a motion to approve the RDA Monthly and Quarterly financial statements and the FCEDC Quarterly report dated December 31, 2013 as presented; seconded by Gilles. Motion carried.

B. Update on PY2014 Annual Action Plan

Benson reviewed that the PY2014 Annual Action Plan, which covers the period of April 1, 2014 through March 31, 2015, was approved at the January meeting. She indicated that no comments were received during the 30-day comment period. Typically, as required by regulations, staff would have already submitted the Plan to the US Department of Housing and Urban Development (HUD), for review and approval. However, due to some concerns regarding funding, HUD is requesting Entitlement Communities to wait for their allocations to be determined before submittal.

C. Action on Housing Rehabilitation Loan Program – Delinquent Real Estate Tax Funding Assistance

Benson reviewed that part of the ongoing monitoring of the Housing Rehabilitation Loan program is checking the status of real estate taxes of past loan recipients. Delinquent taxpayers are frequently those individuals that are going through bankruptcy or foreclosure proceedings.

Benson stated that during the most recent monitoring, staff discovered a loan recipient who was delinquent on her property taxes, however she was not going through bankruptcy or foreclosure. It was discovered that she was making payments, but her limited income prevented her from paying her taxes in full or enable her to catch up on the delinquent payments.

Benson indicated that in the early 1990's, the City received grant funding as part of the Housing Cost Reduction Initiative (HCRI). These funds are typically used to provide down payment assistance or to assist with foreclosure prevention. She reviewed that the current HCRI balance is approximately \$17,000. Benson stated that the benefit of using HCRI funds to assist with tax foreclosure prevention is to minimize the loss of future loan repayments. Under foreclosure, the RDA would not collect repayment on any outstanding housing rehabilitation loans. She also said the RDA has insufficient funds to purchase such properties from the property owners or pursue the foreclosure of its own mortgage. Benson reviewed the proposed eligibility requirements for this program.

It was the consensus of the RDA to allow the use of HCRI funding to assist loan recipients with delinquent taxes subject to certain requirements.

D. Resolution No. 14-05 – A Resolution Approving the Amendment to the Housing Rehabilitation Loan Program Guidelines and Procedures Manual to Incorporate Affirmative Fair Housing Marketing Requirements

Benson reviewed that HUD encourages all Entitlement grantees to review and update their policies and procedures for CDBG funded programs.

Benson indicated that as part of the review of the Rental Rehabilitation Loan Program, it was found that the Owner Certification form contained requirements for Affirmative Marketing. These requirements are not included in the Housing Rehabilitation Loan Program Guidelines and Procedures Manual. She also stated that Affirmative Marketing requirements only apply to assisted activities that contain five (5) or more units. She reviewed that although the RDA has made an exception in the past, under existing policies and procedures, the maximum number of units that can be assisted is four (4) units.

Udee made a motion to approve Resolution No. 14-05; seconded by Pierce. Motion carried.

E. Resolution No. 14-06 – A Resolution Authorizing the Reallocation of the PY2012 Community Development Block Grant (CDBG) Funding From Undesignated to Dental Care Assistance

Benson reviewed that as part of PY2012 the RDA approved allocating \$20,000 in CDBG funding for a Façade Design Assistance Grant to assist eligible applicants with a grant for up to \$4,000 for design/historical research costs. She reviewed that in November 2013 the RDA authorized the termination of the activity due to lack of progress and reallocated the unexpended funds to Undesignated.

Benson reviewed that the Fond du Lac County Health Department administers the Dental Care Assistance Program. For PY2013 the RDA allocated \$10,000 in CDBG funds for this activity. All funds have been expended and approximately \$8,000 of in-kind contributions was leveraged from the dental providers.

Benson stated that the Health Department has reported a continued demand for this program. As such, staff is requesting approval from the RDA to reallocate \$6,552.43 from Undesignated funds to Dental Care Assistance for low-moderate income adults.

Merkel made a motion to approve Resolution No. 14-06; seconded by Gilles. Motion carried.

F. Discussion Regarding Potential CDBG Projects for PY2013

Benson stated that there are two (2) potential projects.

254 Oak Street was severely damaged by flooding a few years ago. It is in a deteriorated state and has been taken over by the bank through foreclosure. The bank is not interested in retaining the property and has approached City staff. Benson stated that staff has expressed interest in the property. If acquired, this property would be incorporated into the existing open/green space that abuts the property.

65 N. Hickory Street is a fire damaged property. It is owned by HUD who is unsure of their plans for the property. Benson stated that staff has expressed an interest in it. If acquired, this property would be used as a Homestead Opportunity project for new home construction by either Habitat for Humanity or ADVOCAP, Inc. Benson indicated that an adjoining property owner has also expressed interest in the property.

Staff has estimated a project cost of \$10,000-\$12,000 for each property. This limited funding would only allow for either acquisition or demolition of each property. Benson stated that the two (2) projects will be funded with the remaining \$10,000 from PY2012 Undesignated and PY2013 Owner Occupied Rehabilitation grant funding. She indicated that these two (2) potential projects are being presented for review now as negotiations will move quickly and may not be able to be brought before the RDA for formal approval.

It was the consensus of the RDA to move forward on both of these properties.

G. Action on Economic Development Revolving Loan Fund (EDRLF) Manual Changes

Benson reviewed that the RDA developed the policies and procedures which are described in the EDRLF Manual which is used by the FCEDC to administer the EDRLF program.

Benson stated that one of the regulatory requirements for any HUD activity is that an environmental review be conducted prior to the commitment of any HUD funds. Staff is proposing additional language for the manual in order to facilitate the environmental review process between the FCEDC and staff.

Udee made a motion to approve the EDRLF Manual changes; seconded by Giles.
Motion carried.

H. Resolution No. 14-07 – A Resolution Authorizing the “Write-Off” of Uncollectible Loans

Wegner reviewed that the City Comptroller’s office has requested the RDA to “write – off” for accounting purposes eight (8) loans. Most of these loans involved mortgage foreclosure brought by the first mortgage holder and/or bankruptcy. She reviewed that some of these properties have already been sold at a sheriff’s sale and unfortunately, the proceeds were insufficient to fully satisfy the RDA’s mortgage.

Wegner stated that two (2) of the loans were written-off because the properties were acquired after the expiration of the 30-year mortgage. One rental repayment loan was written-off as a Deed in Lieu of Foreclosure. She reviewed that two (2) loans were sold on a short sale and staff agreed to a reduced loan payoff amount.

Pierce made a motion to approve Resolution No. 14-07; seconded by Gilles. Motion carried.

I. Adjourn into Closed Session

Ewald made a motion to adjourn into closed session. Udee seconded the motion and the roll call vote was as follows: Ewald, aye; Giles, aye; Gilles, aye; Merkel, aye; Pierce, aye; Teletzke, aye; Udee, aye. Motion carried.

J. Reconvene into Open Session

Merkel made a motion to reconvene into open session. Pierce seconded the motion and the roll call vote was as follows: Ewald, aye; Giles, aye; Gilles, aye; Merkel, aye; Pierce, aye; Teletzke, aye; Udee, aye. Motion carried.

K. Resolution No. 14-08 – A Resolution Approving Residential Rehabilitation Loans Under the Community Development Block Grant Program and/or HOME Programs

Gilles made a motion to approve Resolution No. 14-08; seconded by Udee.
Motion carried.

L. Action on Review of Loan Application Which Does Not Meet Program Guidelines

Merkel made a motion to approve a loan in the amount of approximately \$11,620 for rehabilitation work items and a grant in the amount of approximately \$9,500 for the lead based paint related work items for this loan applicant; seconded by Pierce. Ewald; nay. Motion carried.

5. Correspondence

None

6. Other Matters as are Authorized by Law

7. Motion to Adjourn

The Authority adjourned by unanimous consent at 8:30 a.m.

Respectfully submitted,

Debbie Wegner
Community Development Specialist

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REGULAR MEETING
REDEVELOPMENT AUTHORITY OF THE
CITY OF FOND DU LAC**

**WEDNESDAY, FEBRUARY 19, 2014
CLOSED SESSION**

Present

Absent

Richard Ewald
Gregg Giles
Mary Gilles
Ann Pierce
Karyn Merkel
Doug Teletzke
Leo Udee

None

The Chairman declared a quorum present.

Staff in attendance:

Dyann Benson, Redevelopment Planner
Debbie Wegner, Community Development Specialist

Others in attendance:

Wayne Rollin, Community Development Director

One loan being considered for approval under the CDBG and/or HOME Program was reviewed. A loan application which does not meet Housing Rehabilitation Loan Program Guidelines was also discussed.

Respectfully submitted,

Debbie Wegner
Community Development